

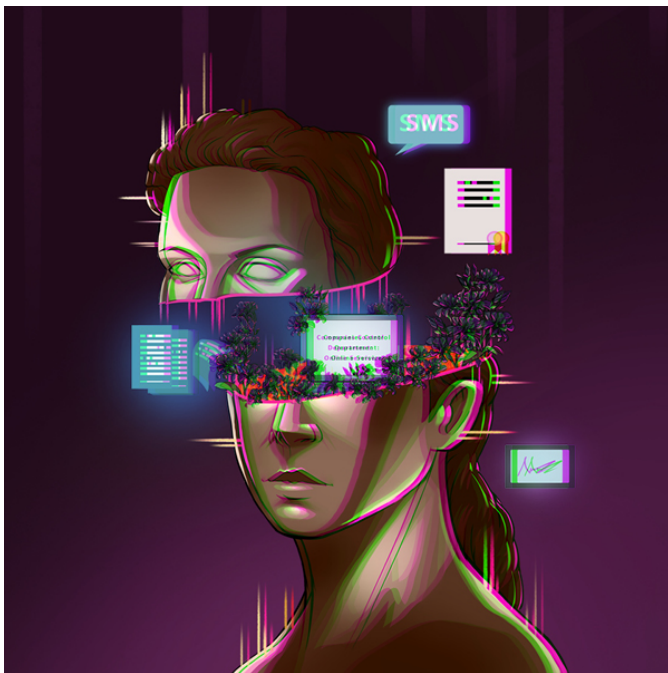
# Unprecedented times and the need to adapt: the Companies Control Department is finally online!

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The effect of COVID-19 on the global economy has called for significant changes to the manner in which people and corporations conduct their business. In Jordan, prior to COVID-19, corporate procedures (registration, corporate filings and amendments to corporate documents) were primarily conducted in person by attending to the Companies Control Department ('CCD') at the Ministry of Industry, Trade and Supply ('MIT'). Such procedures were often lengthy. Despite the availability of technological alternatives offered by the CCD, enforcement conditions, and greater trust and reliance on wet-ink signatures meant that many of such online resources were not fully utilised.

Unprecedented times called for the need to adapt and the Jordanian government responded. With the arrival of COVID 19 to Jordan, leading to enforced lockdowns, quarantine and the suspension of day-to-day business, the CCD was left in a position where technological and digitalised alternative measures had to be implemented. In line with the introduction of the Defense Law No. (13) for the year 1992 ('Defense Law'), a number of provisions of the Companies Law No. (22) of 1997 and the instructions and regulations issued pursuant thereto were suspended.

The CCD implemented several significant changes as follows: a) allowed for General Assembly and board meeting to be held online; b) created electronic links to various governmental institutions to make the process of retrieving information easier; and c) implemented an online platform offering a wide-range of services to facilitate transactions and procedures.

To date, the CCD's online platform offers the following services:

- registration of companies;
- certificate issuance;
- financial data deposit;
- foreign financing access;
- deposit of minutes of the founding general assembly meeting;
- deposit of minutes of the ordinary general assembly meeting;
- filing for the extraordinary general assembly meeting;
- depositing the minutes of the board of directors meeting;
- legal amendments services;
- heir insertion services;
- share transfer services;
- SMS services; and
- electronic signature services.

## **Holding general assembly, ordinary and extra-ordinary board meetings**

Companies intending to hold general assembly meetings may do so via online media, subject the adherence to specific guidelines issued by the CCD. To date, the process involves sending an email to the CCD requesting its approval to hold the meetings. However, the CCD intends to activate an online platform to further ease this process. At present, the Companies Controller has published a circular detailing a temporary mechanism for the submission of forms, minutes of meetings and all other related documentation.

### **I. Electronic links**

In an effort to facilitate procedures and reach higher efficiency, the CCD now offers various electronic links with different Governmental bodies and ministries. Such electronic links were established by the CCD and the Ministry of Labour, the Greater Amman Municipality (for the purposes of issuing and renewing vocational licenses), the National Aid Fund, the Drivers and Vehicles Licensing Department amongst others. Moreover, an electronic link has been implemented with operating banks in Jordan, to allow investors to directly contact a preferred bank for the purposes of opening a company account and depositing the share capital. Username and Password credentials are generated for entities involved in providing services that require licensing requirements, as well as entities for which prior approval is required in order to conduct specific business activities.

### **II. CCD online platform services**

#### *Registration of Companies*

The CCD launched the electronic company's registration portal to enable service recipients to submit company registration requests electronically, without the need to attend to the CCD at the first stage. An investor will, however, be required, following an initial review, to sign the registration application, submit all documents and acquire the required approvals. On completing the requisite procedures, an investor will receive a certified copy of the registration certificate either in person or via registered mail. The portal also enables investors to register the following types of companies, with regular activities, exempt companies, civil companies and non-profit organisations such as limited liability companies, private shareholding companies, public shareholding companies, working foreign branch, non-working foreign branch amongst others. The portal provides investors with the ability to submit all company data in line with the type, capital, economic activities, partners and company representatives thereby allowing the CCD to perform an automatic audit of the request and obtain any other required approvals from the official authorities, and

communicate with the applicants through email and SMS services.

To simplify the procedures and facilitate the investors in availing of the services, the portal has been linked, as mentioned above, with the Social Security Corporation and the Internal Tax and Sales Department as service delivery partners, and with the Social Security Corporation and the Civil Status Department as support systems for the service. Issuing 'To Whom It May Concern Certificates' and authenticated copies of submitted documents.

This electronic service enables the applicant to obtain the required documents and certificates electronically or manually via registered post. This service also includes the issuance of attested certificates of any previously submitted documents.

#### Submitting financial statements

The Financial Statements Deposit Service allows companies registered in the Kingdom to deposit their financial statements at the CCD through the electronic portal for the following companies:

- non-profit limited liability companies;
- exempt limited liability companies;
- limited liability companies;
- non-profit institutions;
- joint non-profit companies;
- private non-profit joint-stock companies;
- private joint stock companies;
- exempt private joint stock companies;
- public joint stock companies; and
- foreign operating companies

#### Legal amendments

The CCD has, through offering the legal amendments service, assisted existing and running companies registered with the CCD, in the process of making legal amendments to their constitutional documents; such as the name of company, shareholding details, company standing, borrowing limits, term of the company, management method and period, activities and various other details pertaining to the running and maintenance of the company. This service is currently only available to a limited number of companies including limited liability companies.

#### Conclusion

The abovementioned changes in relation to the CCD are a mere indicator of the positive changes that will continue to be implemented across the entire public sector. The unprecedented global effect that the world has experienced due to the COVID-19 pandemic, has shone a light on the dire need for technology advancements and the importance of interconnected systems for day-to-day operations. Although COVID-19 led to catastrophic events and consequences nationally and internationally, the government's move towards digitalisation could be seen as a 'blessing in disguise' as Jordan prepares for new ways in which to conduct business post pandemic.

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